

The State Board of Regents met on Wednesday, November 15, 1989, at the University of Iowa. The following were in attendance:

November 18

Members of State Board of Regents

Mr. Pomerantz, President	All sessions
Mr. Berenstein	All sessions
Mr. Fitzgibbon	All sessions
Ms. Furgerson	All sessions
Mr. Greig	All sessions
Ms. Hatch	All sessions
Mr. Tyler	All sessions
Ms. Westenfield	All sessions
Mrs. Williams	All sessions

Office of the State Board of Regents

Executive Director Richey	All sessions
Deputy Director Barak	All sessions
Director Carter	All sessions
Director Eisenhauer	All sessions
Director Volm	All sessions
Associate Director Jensen	All sessions
Assistant Director Kirker	All sessions
Assistant Director Peters	All sessions

State University of Iowa

President Rawlings	All sessions
Vice President Nathan	All sessions
Vice President Phillips	All sessions
Acting Vice President Vernon	All sessions
Associate Vice President Small	All sessions
Assistant to President Mears	All sessions
Acting Director Rhodes	All sessions

Iowa State University

President Eaton	All sessions
Provost Glick	All sessions
Vice President Madden	All sessions
Interim Director John Anderson	All sessions

University of Northern Iowa

President Curris	All sessions
Provost Marlin	All sessions
Vice President Conner	All sessions
Vice President Follon	All sessions
Executive Ass't. to President Stinchfield	All sessions
Director Chilcott	All sessions

Iowa School for the Deaf

Superintendent Johnson	All sessions
Business Manager Aherns	All sessions

Iowa Braille and Sight Saving School

Superintendent Thurman	All sessions
Director Hauser	All sessions

GENERAL

The following business pertaining to general or miscellaneous business was transacted on Wednesday, November 15, 1989.

REPORT OF THE INTERINSTITUTIONAL COMMITTEE ON EDUCATIONAL COORDINATION. a. Post-audit degree in Neuroscience at the University of Iowa. The Board Office recommended approval of the continuation of the Ph.D. program in Neuroscience at the University of Iowa.

The program had its first graduates in the fall of 1985. Seventeen students are now enrolled at various levels of training. The university anticipates continuation of this trend with the admission of five to six new students per year. The program seems to have met or exceeded its original objectives.

MOTION:

Regent Hatch moved to approve the continuation of the Ph.D. program in Neuroscience at the University of Iowa. Regent Furgerson seconded the motion, and it carried unanimously (with Regent Tyler absent).

b. Proposed Bachelor of Arts Degree in Soviet and Eastern European Studies at the University of Iowa. The Board Office recommended approval of the Bachelor of Arts Degree in Soviet and Eastern European Studies at the University of Iowa.

The program is an interdepartmental program involving faculty in the Departments of Economics, History, Political Science, and Russian. The program was favorably reviewed by the Iowa Coordinating Council for Post High School Education. The proposal also received approval of the Interinstitutional Committee on Educational Coordination.

MOTION:

Regent Williams moved that the Board approve the establishment of the Bachelor of Arts Degree in Soviet and Eastern European Studies at the University of Iowa. Regent Hatch seconded the motion, and it carried unanimously (with Regent Tyler absent).

ACCREDITATION OF THE COMPUTER SCIENCE PROGRAM AT IOWA STATE UNIVERSITY. The Board Office recommended the Board receive the accreditation report.

The computer science program at Iowa State University has been reaccredited by the Computer Science Accreditation Commission. The favorable report notes the many strengths of the program and identifies a few minor areas where improvements are suggested.

ACTION: President Pomerantz stated the report was received by general consent of the Board.

REPORTS ON ORGANIZATIONAL AUDITS. a. Iowa School for the Deaf Management Review of Current Operations and Strategic Options for the Future. The Board Office recommended the Board receive the Peat Marwick recommendations.

President Pomerantz stated the recommendations cover a wide range of activities including the strategic options for the institution, staffing and operating issues, mission and governance.

Earlier this year the Board received a preliminary report on the Peat Marwick recommendations for the School for the Deaf. At that time, the report was referred to the Iowa School for the Deaf Advisory Committee and to the institution for review and response. The responses from the school and the advisory committee have been received and have been reviewed by the Board Office.

The recommended action includes disagreeing with Peat Marwick on maintaining the "status quo" and agreeing that ISD should be more proactive in establishing a role in the state. It is also recommended that the Board not seek a change in governance for the school.

MOTION: Regent Williams moved that the Board approved the recommended actions. Regent Furgerson seconded the motion, and it was approved unanimously with Regent Tyler absent.

Regent Tyler entered the meeting.

b. Iowa Braille and Sight Saving School Management Review of Current Operations and Strategic Options for the Future. The Board Office recommended the Board receive the Peat Marwick recommendations.

The Board received a preliminary report on the Peat Marwick recommendations relative to the Iowa Braille and Sight Saving School. The report was referred to the institution and to the Iowa Braille and Sight Saving School Advisory Committee for review and response. The responses from the school and the

advisory committee have been received and have been reviewed by the Board Office.

The recommended action includes disagreeing with Peat Marwick on maintaining the "status quo" and agreeing that IBSSS should be more proactive in establishing a role in the state. It is also recommended that the Board not seek a change in governance for the Iowa Braille and Sight Saving School.

MOTION: Regent Williams moved that the Board approved the recommended actions. Regent Furgerson seconded the motion, and it was approved unanimously.

APPROVAL OF MINUTES OF THE BOARD MEETING OF OCTOBER 18, 1989. Regent Tyler noted that the tuition discussion at the October meeting had been delayed due to his late arrival. He noted all the motions prior to his arrival indicated unanimous approval. He asked that the motions indicate he was not present. He also asked that page 202 of the minutes be corrected to more clearly indicate the tuition discussion.

ACTION: President Pomerantz stated the minutes would be corrected as suggested by Regent Tyler.

c. Executive Summary of All Peat Marwick Recommendations. The Board Office recommended receipt of the report of the final summary of the work completed by Peat Marwick Main and Company on the organizational audit for the Board of Regents and its institutions with the understanding that the schedule for follow-up studies and implementation approved by the Board will be maintained.

Mr. Richey stated Peat Marwick Main and Company completed 35 separate organizational audits, twelve of which were Regent-wide. He noted that most of the recommended actions have been implemented although some are still under study and are scheduled to be reported to the Board of Regents in the spring.

Mr. Richey stated the purposes of the organizational audits was to improve the quality of the programs offered by the Regent institutions and to renew public confidence in the Board and the universities as good stewards of public resources.

Regent-wide studies are as follows:

1. Develop Strategic Planning Process (program implemented, planning underway)
2. Evaluate Board Organizational Structure (recommendations implemented and funds requested to carry out some of the staffing recommendations)

3. Review of program changes methodology (under review with recommendations to the Board scheduled in the near future)
4. Examine areas of potential duplication (first phase completed and acted upon by the board; action on second phase follows this discussion)
5. Evaluate length of time required to complete undergraduate degrees (proposal under study by the Regents Priority Committee on Undergraduate Education)
6. Perform funding analysis to assess adequacy of program support (recommendations implemented since it supported the Board's current policies and practices)
7. Review financial management reporting (implemented)
8. Review Board of Regents budgeting process (implemented)
9. Review budget planning activities (implemented)
10. Conduct cost analysis of physical plant expenditures (some of the recommendations have been implemented and others are under study with a specific time table)
11. Assess the adequacy of the performance evaluation process for presidents (implemented)
12. Framework faculty workload study (a background study not requiring implementation; individual reports on each university are under study)

Organizational audits for specific institutions are as follows:

1. Assess current institutional planning processes (recommendations adopted for each university)
2. Conduct organizational staff analysis (each university submitted a detailed analysis and recommendations; some are still under study)
3. Evaluate adequacy of internal policies and procedures (most recommendations implemented; others under review)
4. Examine faculty workload (under study; recommended plan of implementation will be presented by each institution)
5. Assess performance evaluation procedures (University of Iowa only; proposal for implementation has been presented)

6. Examine indirect cost rate-setting process and current rates (University of Iowa study completed and under review for implementation; the study at Iowa State University will soon be completed)
7. Measure of research productivity (Iowa State University only; ISU is preparing a report for consideration by the Board)
8. Management reviews of current operations and strategic options for the future for the two special schools (reports and recommendations discussed above)

Mr. Richey indicated the cost of the organizational audits was \$1,250,000. Peat Marwick estimated that from \$28 million to \$31.5 million could be freed for reallocation. Based on these projections and actions taken by the Board with respect to the recommendations, the Board Office estimated that approximately two-thirds of the amount could be realized when the changes are fully in effect.

d. Recommendations on Potentially Duplicative Academic Programs. The Board Office recommended approving recommendations regarding potentially duplicative academic programs in graduate and specialized liberal arts.

Director Barak explained the Board had deferred action at its October meeting to allow an opportunity for additional institutional comments. He noted no comments had been received.

The Board Office recommendations are as follows:

- o Dropping the undergraduate and graduate Linguistics program at the University of Northern Iowa.
- o The consolidation of the Telecommunication Arts program at Iowa State University into the Journalism Department.
- o Dropping of the program title and redirecting the focus of Leisure Studies at Iowa State University and the changing of the program title of Leisure Studies at the University of Northern Iowa to reflect its major focus in Recreation Studies.
- o The Linguistics program at the University of Iowa, the Music program at the University of Iowa, the Radio/TV/Broadcasting program at the University of Iowa and the Speech Pathology/Audiology programs at the University of Iowa and the University of Northern Iowa are recommended to be retained.

- o The Fine Arts programs at the University of Iowa is recommended for retention with a major emphasis on Fine Arts, at Iowa State University the Fine Arts program is to be retained with a major emphasis on Applied Arts, and at the University of Northern Iowa the Fine Arts program is retained with major emphasis in Art Education.

MOTION:

Regent Hatch moved that the Board adopt the recommendations of the Board Office as outlined above. Regent Williams seconded the motion, and it passed unanimously.

IOWA COORDINATING COUNCIL FOR POST HIGH SCHOOL EDUCATION. The Board Office recommended the Board receive the report of the November meeting of the council.

The council met at Des Moines Area Community College on November 1. Agenda items included discussion of the statement presented to the Legislative Higher Education Task Force; a report of the first meeting of the committee to promote higher education in Iowa; began review of the policy on program review. In addition the council acted favorably on the proposal from the University of Iowa to establish a bachelors degree in Soviet and Eastern European Studies. Regent Williams attended the meeting.

Regent Williams reported that the recent Way Up VII conference for women in higher education had been very successful. She stated she would like to have an update on the implementation of the Shavlik principles relating to improving the climate for women in higher education presented to the Board in the near future. She said it was important not to lose sight of the importance of working in all areas so that climate continues to improve.

Regent Furgerson stated it would be helpful to the new Regents to know where the process began.

ACTION:

President Pomerantz stated the report of the meeting of the Iowa Coordinating Council for Post High School Education was received by general consent.

MISSION AND ROLE-AND-SCOPE STATEMENTS OF REGENT UNIVERSITIES. The Board Office recommended approval of the statements.

Director Carter explained the mission statements had been presented to the Board earlier in the year and deferred until the organizational audits were complete. The statements have been reviewed taking the organizational audits into consideration.

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The major distinction between the University of Iowa's original mission and the proposed statement is in its identification of mission. The original statement of "the university engages in teaching, research, and appropriate extension, health, and other public services" was replaced with "the dissemination of knowledge," "the development of new knowledge," and "the preservation of knowledge."

The most notable distinction between Iowa State University's current mission statement and the proposed statement is that the proposed mission states the university will carry out "its traditional mission of discovering, developing, disseminating, and preserving knowledge." The current statement indicates that Iowa State University is "to continue to be a distinguished land-grant university." Its land-grant status is presented as a statement of fact in the proposed mission instead of stating it as the institution's primary mission as was done in the current statement.

In its proposed mission statement, the University of Northern Iowa's most notable change is the separation of the mission component from the role-and-scope component. These were combined in the current statement. Specific areas of program offerings have been omitted from the mission statement and replaced by a more general statement of program offerings.

The mission and role-and-scope statements are on file in the Board Office. —

MOTION:

Regent Williams moved the Board approve the mission and role-and-scope statements as presented. Regent Fitzgibbon seconded the motion, and it passed unanimously.

STRATEGIC PLANNING PROGRESS REPORTS. The Board Office recommended the Board receive strategic planning progress reports from each of the Regent institutions.

Iowa State University: The goals and strategies of Iowa State University fall into four major categories -- (1) goals and strategies related to the development and maintenance of high quality instructional programs; (2) goals and objectives related to the development and maintenance of high quality basic research; (3) goals and objectives related to the development and maintenance of high quality extension and other outreach programs; and (4) goals and strategies related to personnel and administrative policies that will ensure excellence in the instruction, research, and outreach programs of the university.

President Pomerantz asked President Eaton to comment on the Iowa State strategic planning process. President Eaton indicated Provost Glick would make the response.

Provost Glick stated the strategic goals came from the long-range strategic planning committee report. He noted this report had been reviewed by a variety of constituencies, and the goals were modified based upon that review. He said one of the questions they were asked "is would these goals lead the university on the path to being the best land grant university in the country?" He indicated that direction could be demonstrated by establishing a strong broad-based undergraduate curriculum with a variety of choices including a strong liberal arts background and strong thrust in technology. Graduate programs would focus on the university's strength in the areas of science and technology and agriculture. Another major thrust would be the university's extension mission.

President Eaton stated ~~stated~~ to be the best land grant institution in the country Iowa State University would have to surpass institutions that have had a long history of significantly greater resources than Iowa State. The long range strategic planning committee was not convinced by the environmental scan of the likelihood of additional resources to move to the top were going to be available.

Provost Glick stated the kind of budget request approved by the Board this year if funded will be a strong signal that with consistent funding over the coming years the goal could be attained.

Regent Fitzgibbon asked if there would be specific dollar amounts tied to the goals.

Provost Glick said that would be the intent at some point but did not feel it could be done until the operating framework has been agreed upon.

Regent Fitzgibbon asked how long it would take to get there. He felt a five-year plan tied to dollars would be the most beneficial thing the Board could have.

Provost Glick stated his assumption was the Board wanted it during this academic year. Regent Fitzgibbon stated at one time the Board had said February or March, prior to the end of the legislative session.

Mr. Richey stated the plan was to come to the Board in December with the framework and the environmental statement within which some basic assumptions for all the institutions can be established. He said it would not be desirable for one institution to plan for a very parsimonious stringent fiscal five-year period and another one expecting the state to start really funding higher education.

Regent Fitzgibbon stated he did not want to take away the individuality of each institution but would like to see some basic foundation in the plans.

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President Pomerantz stated what it seemed to him what was being said is that the people of Iowa will not fund the institutions to the level necessary. He felt the Board needed to come with the perspective that says that in order to accomplish the goals a given amount of money is needed.

President Eaton stated if the goal was to be number one a very simplistic way of arriving at a cost would be to identify the level of funding and facilities of the current number one institution. He stated the University of California at Davis was probably the number one land grant institution in the country.

President Pomerantz stated the point was to get Iowa State to the number one position. He said to come in with a plan by college that tells the Board what is needed to achieve that goal and then everyone will work together to get the funding.

President Eaton referred to his discussion of the environmental and economic scan done by the committee. He said Iowa State University economist, Neil Harl, felt the state had been pushed as far as it could in funding higher education. He went on to say that the approximately 80 percent of the net farm income in the state comes from federal payments which could be problematic with an administration doing everything in its power to reduce the amount of those payments.

Regent Fitzgibbon stated if that happened other avenues would have to be explored.

President Pomerantz stated he felt Dr. Harl was making a judgment about the character of Iowa citizens and what they will pay for excellence in university education. He indicated he did not feel Dr. Harl knew the answer, and that any member of the Board or the audience present could speak with just as much authority. President Pomerantz stated he felt the state will pay if the appropriate leadership is present along with a road map for accomplishing the goals. The university and then the Board has to believe in the goals to be successful in acquiring funding.

President Eaton stated this was diametrically opposed to the instructions he had received when he first came to Iowa. He said if the Board wanted the university to "shoot for the moon," they would.

President Pomerantz said it isn't the "moon," just number one.

University of Iowa: The foundation on which the University of Iowa's goals and strategies rests is improved quality. Related to that, the university seeks comprehensive strength in undergraduate programs, premier graduate and professional programs, a faculty of distinction, a diverse academic community, strong ties between the university and external constituencies, and a high quality of life.

President Pomerantz asked President Rawlings to comment on the university's strategic planning process.

President Rawlings stated Edward Lawler and his colleagues on the strategic planning committee began their work in January of this year. They have engaged the entire university community in the process in a very expeditious manner. The committee has met every deadline to date along with the final deadline. The morale of the university community has been excellent throughout the process, and everyone appears pleased with the plan. The committee identified three areas that are crucial to the success of the University of Iowa. In this context, President Rawlings stated success was being one of the top ten public universities in the country. These areas are:

Faculty -- the committee felt strongly that the key to success of the university was in the quality of its faculty which means retaining the present excellent faculty and bringing in additional new ones. It is recommended 165 new faculty positions over a four-year period would be necessary. Of these 165, the committee felt that at least 40 should be at the top of their professions with world-class reputations.

Focus -- the University of Iowa is not as large as many of its peer institutions and, therefore, will not get to quality by a "cover-the-waterfront" approach. The university will have to focus and decide upon certain areas that it is going to be absolutely tops in. Those areas need to be identified from areas where there is already strength and then have an infusion of resources to reach the very top.

Funds -- there are basically four sources of funds at a public academic institution: state appropriations, tuition, grants and contracts, and private fund raising. President Rawlings stated he may be somewhat more optimistic than Iowa State in feeling the state will support the universities. Tuition is a major source of revenue although at the University of Iowa's tuition is the lowest in the Big 10. He noted the university put a great deal of emphasis on student financial aid. In the grants and contracts area, the university has had a stunningly successful year in raising its total from \$115 million to \$140 million. President Rawlings noted this increase was due to one factor only -- the quality of the faculty. In the area of private fund raising, the university instituted the Iowa Endowment 2000 campaign a couple of years ago and has gone from zero endowed chairs to 37 projected over the next few years.

President Rawlings said he would address Regent Fitzgibbon's point directly about assigning dollars to objectives. He believed that the best time to do that is in the second year of the process because that is when they can begin to pinpoint those areas where they are able to make immediate progress.

President Rawlings stated he had presented the process in a nutshell and congratulated the faculty leadership for completing this on a very tight timetable.

University of Northern Iowa: The priority issues of the University of Northern Iowa revolve around strengthening the academic distinctiveness of the university, faculty recruitment and retention, greater diversity, more focused graduate programs, improved access to information systems and emphasizing the institution's status as a premier undergraduate institution.

President Pomerantz asked President Curris to comment on the strategic planning process at the University of Northern Iowa.

President Curris stated in 1983 the university began a long-range planning process with a university-wide committee that engaged in a lengthy period of intensive study involving the entire university community. From that deliberative process, a plan was developed; and they have been working to implement that plan since about 1985. Much of the university resources, both physical and financial, have gone into that effort. They began an updating process last spring into a new strategic plan, and with the arrival of the new Vice President for Academic Affairs and Provost, Nancy Marlin, the process is now in full swing. President Curris asked Dr. Marlin to bring the Board up to date on the university's strategic planning process.

Vice President Marlin stated the university was not bashful in saying it wanted to be number one in its peer group, and they think that this strategic plan is a way to accomplish that. The plan is geared around three major areas -- focus, distinctiveness, and quality. The entire aspect of planning at the University of Northern Iowa has tried to focus on an agreed-upon vision of the future--where they are actually going and where the resources are going to be distributed to achieve those goals. The University of Northern Iowa is already somewhat of a focused institution in the sense of its strong undergraduate liberal arts and strong undergraduate tradition in education and strong programs in business. Through the process they have begun even greater focus on which programs will allow them to attain distinction nationally and within the Regent universities. She explained the university's first goal is academic distinctiveness among Regent institutions and the second is academic distinctiveness nationally. She said focusing on what they are doing and being certain they are indeed number one in a distinctive way both within the state and nationally are the two major elements. She said the achievement of the strategies was not possible without the third element, quality. She noted they were strengthening their efforts in a tightening market to recruit the very best faculty. She said the university was very pleased with what the Regents have been giving in terms of the idea that the university is to be number one and will do the costing out of these strategies.

Iowa School for the Deaf: The school's primary goals encompass quality in teaching and administration; more creative programming; faculty/staff recruitment; improved facilities; equipment and operating budgets; the development of effective public information strategies; improved private fund-raising efforts; improved governance; and greater cohesiveness and cooperation within the Regent system.

President Pomerantz asked Superintendent Johnson to comment.

Superintendent Johnson stated they do not have the complexity of the universities within the Regent system but do have many constituencies that they must relate with in the planning process. He said they were pleased that they could relate to most of the Board's goals. The process is well underway, and the school will keep the Board informed throughout the process.

Iowa Braille and Sight Saving School: The primary goals of the school can be summarized as follows: (1) quality in educational and residential programs and enhanced curricula and industrial methodologies; (2) expanded resources and services to students throughout the state; (3) improved governance; (4) improved campus facilities; (4) greater public awareness of the school; (5) faculty/staff recruitment, retention and diversity; and (6) cohesiveness and cooperation with the Regent system.

President Pomerantz asked Superintendent Thurman for comments.

Superintendent Thurman stated the school had tried to do the same thing as the School for the Deaf by looking at the Board's goals and trying to collapse them into eight of their own goals which seemed to fulfill the mission. He feels they have covered all but two of the Board's goals. He felt the strategic planning process will enable them to accomplish the goals. He reiterated what Superintendent Johnson said about the complexity of the special schools not being as great as the universities. These strategies will provide a direction to accomplish goals that are every bit as meaningful to the school as the goals of a university.

President Pomerantz stated the Board and the institutions had come through an extensive and very thorough evaluation both from internal and external sources and have agreed on missions. The current issue is achieving those missions. He stated if the Board presents a formidable and appropriate plan designed to achieve the quality the people of Iowa expect and are willing to fund that it will indeed be funded. The effort here is to invest in higher education so that there will be substantial returns afforded to the people of this state. It is not just the people giving to higher education, it is the people investing in higher education so that they can expect an appropriate return which the Board believes they will receive.

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ACTION:

President Pomerantz stated the strategic planning reports were received by general consent of the Board.

REPORT OF THE BANKING COMMITTEE. Regent Fitzgibbon reported the Banking Committee heard reports from INVESCO, the endowment fund manager, in addition to quarterly investment and cash management reports from the institutions. The Banking Committee recommended adopting a resolution authorizing the sale of up to \$10 million in Utility System Revenue Bonds and the execution and delivery of a Second Supplemental Indenture upon receipt of an acceptable bid. The sale of these bonds is detailed in the University of Iowa section of these minutes.

REPORT ON THE LEGISLATIVE HIGHER EDUCATION TASK FORCE. Director Barak stated the presentation had two parts. He stated he would review the actions of the task force which met last evening, and then the faculty senate representatives from the three universities will comment.

Director Barak stated the Board had reviewed the preliminary draft recommendations of the task force at the last two meetings, and those recommendations were reviewed at a series of meetings around the state. The task force has taken the results of the hearings and other comments and drafted a revised set of recommendations. In general the recommendations are very similar to the preliminary draft recommendations although it is obvious there was an attempt to respond to the comments.

The task force dropped the proposed governance change for the two special schools, and the only comment that may appear regarding the two special schools will be a comment encouraging the institutions to integrate students into the normal schools. The recommendations that were considered last evening included the possibility of a change in the governance recommendations that included increasing the number of representatives from the community colleges on the State Board of Education which was not passed. The task force indicated the whole Board of Education needs to get involved with the community colleges, and there will be a statement in the report that they had more concerns about the governance of the community colleges than any other sector. The task force expects the Board of Education will be giving special attention to the community colleges in its future actions.

With respect to the overall governance structure proposed in the draft which was a 28E agreement negotiated by the State Board of Regents, Department of Education and the independent colleges, the task force agreed to keep that in the final report. However, they will be having some language to the effect that if the parties involved do not adopt this 28E agreement approach prior to the deadline date for the submission of legislation the task force's second proposal, which is a statutory coordinating board, would be submitted to the legislature for consideration. The statutory board is very similar to the one

in the 28E agreement but would use the staff of the Iowa College Aid Commission as its staff.

With respect to the Coordinating Council, the task force agreed to change some of the wording that appeared in the first draft which was taken very negatively by members of the Coordinating Council. The task force also agreed to drop the recommendation that the Coordinating Council be discontinued. It decided to continue the Coordinating Council based on the reasoning that the Council provided a forum for the presidents and trustees to meet on a regular basis.

There may be some language in the final report related to a requirement for faculty particularly foreign teaching assistants at the universities to pass an English competency exam.

The task force recommends that there will be some group in the legislature that focuses on higher education on a regular basis. The discussion indicated that it might well be a standing subcommittee on higher education in the legislature.

The revised recommendations were then approved unanimously by the task force as amended and will be presented to the legislature in early December. The report is being printed now and should be available shortly. It will be provided to the Board as soon as it is available.

JOINT RESOLUTION OF THE FACULTY SENATES ON GOVERNANCE IN IOWA. President Pomerantz recognized from Dr. David Holger from Iowa State University.

Dr. Holger stated he had the pleasure of presenting the Board with a joint resolution on the role of the Iowa Board of Regents. He pointed out the faculty senates have considered this as a philosophical issue and the thrust of the resolution is that they feel the Board of Regents structure as it currently exists in Iowa is the appropriate and effective means for governing higher education in Iowa and would help them reach the goals discussed earlier. He stated the senates were philosophically concerned about additional structures that may make the process more cumbersome or less effective. Both the University of Northern Iowa faculty senate and the faculty senate of Iowa State University unanimously adopted the resolution, and the University of Iowa's faculty senate passed it with one dissenting vote.

Dr. Holger acknowledged that John Longnecker, the President of the University of Northern Iowa Faculty Senate who was unable to attend the Board meeting, was involved in drafting this resolution along with John Nelson of the University of Iowa and myself and Steve Collins of the University of Iowa who served as facilitator and coordinator of all the drafts. He introduced John Nelson of the State University of Iowa who presented the resolution as follows:

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"Faculty senates at the three public universities in Iowa believe that the institutions and the state have been served well by the Iowa Board of Regents. The faculty senates are satisfied with the present Regent governance structure and regard that structure as responsive to the changing educational needs of Iowa's people. Indeed it has a long history of effective supervision for one of the leanest and best systems of public higher education in the country. As we learn from faculty colleagues elsewhere, the Iowa Regent system is widely respected in other states as a model of intelligent and responsible governance for public universities.

The present structure has led to constructive dialogues among the faculty senates, the university administrations, the Regents, and other state officials. New relationships are evolving that require careful nurturance. If we need still better communication, then it is hard to see how inserting additional layers of administration between the Regents and the rest of state government will help. Instead let us work together for closer, more effective interaction within the present structure.

In recent years, the present Regent structure has gradually generated better cooperation among the Regents, the universities, and other institutions throughout the state. These initiatives promise to receive further support through the Regent system. The faculty senates are concerned that more complex governance structures may hinder these developing initiatives by creating a more cumbersome system of higher education.

The faculty senates doubt that interposing an additional body between the Regents and the rest of state government would improve governance of the state's public universities. If other sectors of higher education might organize themselves better, then let us change the particular elements in need of improvement. If all Iowa's institutions of higher education might cooperate better, then let us concentrate on closer communication among them.

Additional layers of administration usually increase conflicting plans, rather than reducing them. Therefore, the faculty senates expect that an intervening body would make it more difficult for each Regent university to fulfill its mission, achieving excellence in teaching, research and outreach. The senates are concerned about an intervening body with a substantial budget and broad powers that might alter successful educational agendas developed in close consultation with the faculty, students, and staff of the three Regents universities. Even a more modest body will divert precious resources into administrative activity. Past the point of good supervision already provided by the Regents, such activity tends to be inefficient because it takes needed

resources away from educational efforts. And it tends to be ineffective, because it works too far from the scenes of teaching and research, where higher education actually happens. Accordingly, the faculty senates urge that new administrative structures be avoided at this time.

The Board of Regents system has helped make higher education in Iowa a real success. Moreover, the Regent system is evolving to meet the state's future needs and the challenges facing higher education. It is the considered opinion of the faculty senates that the present Regent system works well for higher education in Iowa."

Dr. Collins stated this was a joint effort involving the faculty senates at all three public institutions, and he had been told that this is a first, perhaps a historic first. He reminded everyone that times were changing and that it is possible for the faculties of the three institutions to cooperate and to work together without additional structures.

Regent Tyler thanked the senates the resolution and said that there are times when he was adamantly opposed to increased bureaucracy and felt like he was standing as a leaf against the gale so it is appreciated very much.

Regent Furgerson requested that each representative take back to the faculty senates the Board's appreciation for the resolution.

Dr. Collins stated they would certainly do that.

President Pomerantz stated he would like to suggest to Wayne Richey that a copy of this resolution be forwarded to the Governor and to the appropriate legislative leadership so that they can see what great harmony there is higher education in Iowa and in a more serious vein how significant and important they feel the issue of governance is and how a very strong message of support for the Regents is being delivered. He also asked that the senate representatives take back to their respective faculty senates the Board's deep appreciation and commitment to work together for the purposes of quality higher education in Iowa.

FALL 1988 ENROLLMENT REPORT, PART II. The Board Office recommended the Board receive Part II of the fall 1988 enrollment report.

Assistant Director Kirker presented highlights of the reports as follows:

The U. S. Department of Education reported enrollment in the nation's high schools to include 12.7 million students. This number represents a 2.6 percent decline from last year.

Total Iowa post secondary education enrollment of 165,559 in Fall 1989 exceeded 1988 enrollment of 159,785 by 3.61 percent.

Enrollment at Regent universities is 66,210 (39.99 percent of total enrollment); at area community colleges is 47,774 (28.86 percent); and at independent colleges, 44,887 (27.11 percent).

An increase of 0.1 percent was reported by the Regent universities, while independent colleges and universities and area colleges experienced increases of 6.42 percent and 7.42 percent, respectively.

The Regent universities reported a 1.96 percent decrease in enrollment of new freshmen; area community colleges reported a 5.13 percent increase, and independent colleges reported a 0.3 percent increase.

Enrollments of Iowa resident new freshmen are lower by 2.08 percent at Regent institutions, while they increased by 4.73 percent at area colleges and declined by 3.82 percent at independent colleges and universities.

The percentage of nonresident new freshmen at the University of Iowa is 32.70 percent, at Iowa State, 23.39 percent, and at the University of Northern Iowa, 2.76 percent.

In Fall 1989, Regent nonresident enrollments decreased from 24.6 percent to 24.37 percent of total enrollment. The percentage at the University of Northern Iowa was 3.91 percent.

The University of Iowa nonresident enrollment represented 30.93 percent of the total university enrollment and Iowa State University nonresidents represented 26.43 percent of the total enrollment.

At the University of Iowa, freshmen who ranked in the lower half of their high school graduating classes represented 9.2 percent of total new freshmen in Fall 1988. At Iowa State University, lower half admits represented 3.9 percent and at the University of Northern Iowa, lower half admits were 8.5 percent of the total new freshmen admitted.

Average ACT scores for entering freshmen at Regent universities decreased at Iowa State University to 23.1 in 1989 from 23.2 and at the University of Northern Iowa to 22.3 in 1989 from 22.6. The national average fell from 18.8 in 1988 to 18.6 in 1989.

In Fall 1989, there were 4,091 undergraduate transfers to Regent institutions. More than 40 percent of total undergraduate transfer students in Regent universities came from Iowa public two-year institutions, an increase of 174 students. Approximately 35 percent of undergraduate transfer students came

from colleges outside Iowa. Transfers from Iowa independent four-year colleges increased slightly to 13.3 percent of the total transfer enrollment.

Regent universities enrolled 3,547 minority students in 1989, representing a 10.19 percent increase over the 1988 count of 3,219 minority students. The enrollment of black students increased at all three Regent universities. The number of black freshmen increased 30.73 percent. Undergraduate black student enrollment increased 9.91 percent and graduate enrollment was 28.32 percent.

The total percentage of women students at Regent universities increased slightly in 1989 from 47.2 percent to 48.5 percent, continuing an upward trend begun in 1985.

Regent-wide, foreign student enrollment increased by 18.4 percent. In Fall 1989, 4,913 foreign students enrolled, an increase of 765 from the 4,148 enrolled in 1988.

The percentage of foreign students as a percentage of total enrollment is 9.0 percent at the University of Iowa, 8.6 percent at Iowa State, and 1.2 percent at the University of Northern Iowa.

At Iowa State, the percentage of foreign graduate students increased to 33.4 percent of total graduate enrollment, the highest percentage in the last 9 years. At the University of Iowa and the University of Northern Iowa, where the numbers of foreign graduate students decreased in Fall 1988, the foreign graduate student proportions of graduate enrollment are 17.1 and 4.1, percent, respectively.

Total enrollment, which peaked at Regent universities in 1985 at 67,694, is today 66,210, or a decline of 2.19 percent. Institutional enrollment projections for the years 1989-1998 will be on the docket in December.

The special schools reported increases in enrollment of physically handicapped students. At Iowa Braille and Sight Saving School, 65 students have permanently impaired mobility, 65 are visually impaired, and 11 are acoustically impaired. For 1989, 9 Iowa School for the Deaf students are visually impaired, one has permanently impaired mobility, and 158 are acoustically impaired.

At the University of Iowa, undergraduate enrollment increased in the College of Nursing, while a significant decline continued in Business Administration. The graduate college reported increases in Pharmacy, Dentistry, Nursing, and Medicine.

Iowa State University reported enrollment increases at the undergraduate level in Education (2.8 percent), Design (6.8 percent), Sciences and Humanities (1.0 percent), Family and Consumer Sciences (.5 percent) and Agriculture (1.4 percent). Enrollment in five of the nine graduate colleges

increases of Fall 1988 enrollment, ranging from 1.3 percent in Education to 171.7 percent in Business Administration.

At the University of Northern Iowa total undergraduate enrollment increased by 3.1 percent this fall led by a 9.5 percent increase in the College of Education and a 5.4 percent gain in the College of Social and Behavioral Sciences. Total graduate enrollment increased in 1989 by 12.9 percent.

PRESENTATION. President Pomerantz on behalf of the Board of Regents presented a certificate of appreciation to R. Wayne Richey in recognition of his receiving the National Governor's Award and for his continuing service to education in the state of Iowa.

Mr. Richey thanked Board for the recognition and said they were a wonderful group of people with whom to work.

President Pomerantz recognized State Representative Mary Neuhauser.

TEN-YEAR CAPITAL PLAN. Approve the following Ten-Year Building Program for fiscal year 1991 through fiscal year 2000.

University of Iowa	\$235,285,000
University of Iowa Hospitals and Clinics	57,438,000
Iowa State University	233,015,000
University of Northern Iowa	<u>70,673,000</u>
Total Universities	\$596,411,000
Iowa School for the Deaf	\$ 7,501,000
Iowa Braille and Sight Saving School	<u>550,000</u>
Total Special Schools	\$ 8,051,000
GRAND TOTAL	\$604,462,000

Mr. Richey stated Ten-Year Capital Plan for the universities must be approved by the General Assembly as a part of any authorization of additional Academic Building Revenue Bonds. If bonding is not requested, the General Assembly need only receive it. He indicated the Board Office had tried to utilize the institutional priorities but felt that all the recommendations included projects that had not had the full reflection and discussion by the Board.

The universities have identified capital projects totaling \$793 million for the ten year period. After review the Board Office recommended for a Ten-Year Building Program of \$604 million which is a 25.7 percent increase from the program approved a year ago.

Total institutional requests and the Board Office recommendation are as follows:

Summary of Institutional Requests and Board Office Recommendation

<u>Ten Year Building Program</u>				
(000s Omitted)				
	<u>Requested</u>	<u>Recommended</u>		<u>Unmet Needs</u>
New Construction	\$ 294,902	\$253,662	86%	\$41,240
Remodeling	185,383	133,373	72%	52,010
Equipment	37,120	23,240	63%	13,880
Utilities	168,113	96,413	57%	71,700
Energy Conservation	22,853	22,853	100%	0
Fire Safety	23,620	18,620	79%	5,000
Deferred Maintenance	60,850	56,301	93%	4,549
TOTAL	\$792,841	\$604,462	76%	\$188,379

Mr. Richey stated the Ten-Year Capital Plan would be influenced as the long-range strategic planning processes at the institutions became more sophisticated.

President Pomerantz stated the priorities in the capital plan would parallel priorities in the strategic plan which would be tied to operating budgets.

MOTION: Regent Hatch moved that the Board approve the Ten-Year Capital Program as presented. Regent Williams seconded the motion.

Regent Tyler stated it was important to note that the \$57 million for capital projects at the University of Iowa Hospitals and Clinics was not from state appropriations.

VOTE ON MOTION: Motion passed unanimously.

LEGISLATIVE ISSUES, 1990. The Board Office recommended the following items be added to the Board's legislative program: a) Include the Board Office in TIAA/CREF; b) Eliminate the requirement that the November Board meeting be held at Ames, Cedar Falls, or Iowa City. Amend the Iowa Code so that the meeting to make final decisions on tuition be held at one of the three universities; and c) Amend the child abuse reporting procedures at the special schools. Currently, the special schools are required to report child abuse incidents to both the Department of Education and the Department of Human Services. The reporting requirements of these two departments conflict in certain areas. The Board Office would recommend drafting legislation to amend the Code so that the special schools report only to the Department of Education.

Mr. Richey stated the Board of Regents budget hearing before the Governor would be held on November 17, 1989, and the hearing before the Joint Education Appropriation Subcommittee is scheduled for December 7, 1989.

Mr. Richey stated he felt with the addition of these items the Board's legislative program is complete. He noted, as the session begins changes will occur daily in terms of the positions on bills and so forth and those will be brought to the Board either on a monthly basis at the Board meeting or will be sent out specially. He stated normally a weekly summary of what has happened in the General Assembly is sent to Board.

Regent Tyler stated had asked about an ongoing capital appropriation in the past and did not understand why there was not a request for an amount of capital funding ongoing from the legislature rather than submerging it in the ten-year capital plan.

Mr. Richey stated this was laid out here separately in the legislative program.

Regent Tyler stated he would discuss this item with Mr. Richey later.

Regent Berenstein asked if Regents would be attending the Governor's budget hearing. He stated he felt the Board should have been notified prior to this time. He indicated he did not have notice of it and objected to that.

Mr. Richey stated the notice was in the docket last month and also brought orally to the Board's attention.

Regent Berenstein stated having such notices in the docket only was not satisfactory in that there were a lot of meetings noted in the dockets that he was not expected to attend. He said if his attendance was required he would have to have more notice than two days.

Regent Williams agreed with Regent Berenstein. She said this was a really important time of the year, and all of the Board members would be willing to come if they could plan ahead of time. She stated the Board should just assume this is important and then set time aside, but the Board does need some advance notice.

Mr. Richey stated he was surprised that the Board members did not get the individual notice to which Mr. Berenstein referred because he was sure he thought they had been notified.

President Pomerantz stated the point was well made, and the Board will receive appropriate notice in the future. He stated if there was any way that schedules could be rearranged it would be appreciated. He felt it was important for as many of the Board as possible to be in attendance because it does speak to the importance of that issue.

Regent Hatch stated she felt was meant by the recommendation on the child abuse rules is that it is not feasible to have to follow both the rules of the Department of Education and the Department of Human Services not just the reporting to both agencies.

MOTION:

Regent Hatch moved the Board approve the additions to the legislative program as indicated above. Regent Furgerson second the motion, and it was passed unanimously.

REPORT ON DRUG ABUSE POLICIES AND PROGRAMS. President Pomerantz stated the reports were prepared by each of the universities at the request of Regent Fitzgibbon.

President Pomerantz recognized Vice President Follon to report on the programs at the University of Northern Iowa.

The University of Northern Iowa adopted a Drug-Free Workplace Policy in April 1989 which addresses compliance with the Drug-Free Workplace Act of 1988. The university personnel is implementing the provisions of the act through the Operations and Training Coordinator.

The university's educational programming stresses: (1) recognition of illegal substances and awareness of their debilitating effect on academic/work performance and personal health; (2) the penalties and consequences for persons who are found guilty of possession and/or sale of illegal substances; and (3) the development of behaviors and attitudes that may reduce exposure to illegal substances and encourage responsible drinking. The residence hall system, the counseling center, the student health center, the Maucker University Union, and the public safety department cooperate with the Cedar Falls police department and the Northeast Council on Substance Abuse in promoting educational and intervention strategies.

Vice President Follon highlighted the university's philosophy is one of helping the people in the university community to take responsibility for their living and working environment. She said it is particularly important that students begin to take responsibility for their own lives. She noted another thing particularly unique about the university's program in this area is a course of study called Personal Wellness which is required of all students, and within that course there is a unit on substance abuse. Another thing the university is well pleased with is the good relationship between the Cedar Falls police and the university Department of Public Safety. She indicated the public safety people also work with the elementary children at the Price Laboratory School.

President Pomerantz asked Vice President Thielen to report the programs at Iowa State University.

In 1978 Iowa State University joined the Regional Substance Abuse Center in requesting state funds for campus drug abuse prevention which resulted in a

full-time staff member in the Dean of Students Office. The original effort has grown into the current program which includes three full-time professional staff and a substantial commitment to the prevention of substance abuse. The university reported education is the cornerstone of its efforts in substance abuse.

Vice President Thielen indicated assessment, short-term counseling and referral to treatment are available through the student counseling service. Students come to the counseling service from a variety of sources including residence hall staff, academic advisors, and disciplinary referrals.

Vice President Thielen stated last year with the change in drinking age law in Iowa the substance abuse programs at Iowa State were intensified. He introduced Charles Cychoz who heads the program.

Mr. Cychoz stated the university had made a real effort to establish partnerships not only with the community but with the other Regent institutions so there will be some similarities in the things the university is trying to do. He indicated there had been a commitment made to those partnerships and hoped they would continue. He said he did not think there were easy answers since drug abuse is a very complex problem.

Regent Fitzgibbon asked if the student counselors were specially trained.

Mr. Cychoz stated they had a variety of counselors including two counselors who are specialists in substance abuse.

Regent Fitzgibbon asked do people on campus know where to get help.

Mr. Cychoz stated a variety of mechanisms are used to get the word around the campus. He said was direct referral if a student violates the student conduct code. They utilize training presentations in an attempt to instill a community sensitivity. There is also a marketing program including posters and brochures. Informal contacts with faculty and staff are very important because these are often the people who pick up the problem first.

President Pomerantz asked Mary Jo Small to report on the program at the University of Iowa.

Associate Vice President Small discussed substance abuse as it affects employees. She stated substance abuse problems in the workplace were not a new phenomenon and particularly because since the university has a setting in which drugs are in used in the workplace. The substance abuse issue has been confronted in the past, and the university has developed a philosophy for dealing with people who demonstrate signs that they are abusing substances or who for instance misdirect a substance aimed at a patient or research subject for their own use. The philosophy is that the most therapeutic thing to do is confront someone directly and insist that treatment take place and if there are criminal activities involved the most therapeutic thing to do is address it immediately and not to shelter people from the consequences of their own actions. The university is now doing things that are more vigorous in the

area of providing additional to training to supervisors, training to faculty and staff and referral services. An employee assistance program has just been established. The university will have a trainer experienced in substance abuse to provide courses throughout the university community. She indicated they are trying to do more prevention than in the past as well as addressing individual problems. She introduced Philip Jones, Dean of Student Services.

Mr. Jones stated information learned from surveying the student population indicated that substance abuse on the campus was not at an epidemic proportion by any means but was equivalent to what would be found on a national survey basis. In the enforcement area there have been eighteen arrests in the university community for substances, and none have been related to cocaine. He stated there is a program for referral to student health for assessment. Through that assessment program students may be advised to seek counseling or inpatient care. There is also an aftercare program in effect. He stated Student Services also takes a position of the importance of enforcement, education, and investigation. The three areas are interrelated in terms of developing students' perceptions about the dangers of drugs and the importance of keeping a safe environment by having more students aware and clean and safe.

President Pomerantz asked where the substance abuse trend was going.

Dean Jones stated it was probably going up. He noted the university had not seen it in the enforcement, however.

Regent Tyler stated in the pre-employment drug testing it is noted that in the 18-35 age group 60-75 percent positive tests for drugs. He asked if that was the percentage in Iowa in Iowa.

Dean Jones stated they learned in a survey of some 800 students on campus last year that the number of students indicating that they had used drugs other than alcohol within the previous 30 days is about 4 percent which was equivalent to the national average.

ACTION:

President Pomerantz stated the reports were received by general consent of the Board.

CHILD CARE NEEDS STUDY. The Board Office recommended the following actions: (1) Receive the report of the Interinstitutional Child Care Committee and provide any additional guidance in preparing the final report for submission to the General Assembly to meet the statutory deadline of December 15, 1989, in accordance with House File 774; (2) Encourage Regent universities actively to assist students and employees to gain access to child care services through a variety of means including but not limited to such activities as implementing a flexible benefits plan, recruiting work study funds, establishing or expanding child care referral services, and participating in community efforts to recruit child care providers; (3) Approve two recommendations made by the Interinstitutional Child Care Study Committee -- (a) Funding should be sought from the College Aid Commission for additional

work study positions to assist in meeting campus child care goals. The universities have included proposed alternatives for implementation in Fall 1990 which will require additional state work study funding of \$100,000 for each campus. These funds should not be included in the Regents budget request and (b) Each university should present an annual report on child care to the Board of Regents, with the first report due on May 1, 1990, to include a five-year plan. Subsequent reports should update the five-year plan; and (4) Authorize the Executive Director to prepare the final report for submission to the General Assembly by December 15, 1989.

Director Eisenhower stated the appropriations bill for the Board of Regents required the Board to conduct an update to the child care study. An inter-institutional committee has been working on that. There are three proactive recommendations presented for approval and also some suggestions for alternatives that have been proposed by the institutions for implementation in fall 1990. Those include flexible benefit plans for faculty, professional and scientific, and nonbargaining merit staff, inclusion of staff of the student government day care centers in the group insurance plans of the universities, and training of a pool of students to provide sick child part-time and respite child care if work study funds should become available by way of the College Aid Commission. In order to encourage ongoing activity on behalf of child care need, the interinstitutional committee is asking that annual reports be presented beginning May 1. She recognized Mary Jo Small.

Associate Vice President Small spoke in support of the committee's recommendation that there be an annual report to the Board regarding child care activities. She felt it was a great benefit in many ways to have this provision attached to the appropriations bill because it caused thinking in a planning mode about an issue that is important to the faculty, staff and students. Many of the newly recruited faculty members are parents of young children who are pressing the administration about meeting their child care needs. It seems to have become in the sense of the words of the discrimination law a "business necessity" that this question is addressed.

MOTION:

Regent Hatch moved the recommendations as presented above be approved. Regent Furgerson seconded the motion, and the motion was passed with Regent Tyler voting no.

ANNUAL SALARY REPORT, FISCAL YEAR 1990. Mr. Richey stated this was one of the Board's annual governance reports which indicates what the real salaries are for this current year for the three classes of employees, faculty, professional and scientific, and merit. It also provides comparisons for Regent institutions with their counterparts. It also shows the very dramatic progress made by the Board in the past three years with the faculty salary program.

Regent university faculty salary increases for the third consecutive year were the highest of their comparison universities. The University of Iowa has increased 10.1 percent, Iowa State University increased 10.8 percent, and the

University of Northern Iowa increased 10 percent. In their respective eleven state comparison groups, Regent universities ranked well in the average salaries paid to professors, associate professors and assistant professors. At the University of Iowa, professors rank seventh, associate professors rank second, and assistant professors rank fourth. At Iowa State University professors rank sixth, associate professors rank third, and assistant professors rank fifth. Professors and associate professors at the University of Northern Iowa rank fourth and assistant professors rank third.

Special school faculty salary increases average 10.13 percent at the Iowa Braille and Sight Saving School and 8.5 percent at the Iowa school for the Deaf for continuing faculty.

Professional and scientific staff salaries increased beyond the overall state salary policy through internal reallocations. Professional and scientific staff salary increases were as follows: University of Iowa - 8.1 percent; Iowa State University - 6.9 percent; University of Northern Iowa - 7.0 percent.

The average salary increases for general services staff are 6.5 percent at the University of Iowa, 6.0 percent at Iowa State University and 6.5 percent at the University of Northern Iowa, 3.5 percent at the Iowa School for the Deaf and 5.2 percent at the Iowa Braille and Sight Saving School.

President Pomerantz stated he had a concern which was when there was reallocation of funds or use of nonappropriated funds for specific salary purposes he felt it would be good practice for the institutions to tell the Board prior to initiating the action of the intentions regarding salaries. He said he understood that this year there were some reallocations which were used to enhance the level of professional and scientific salaries which very well may be appropriate and desirable but the Board needs to know that prior to the action being taken rather than subsequent.

ANNUAL REPORT ON INSURANCE AND RETIREMENT PROGRAMS. The Board Office recommended that the Board (1) receive the report; and (2) approve obtaining legislative authorization through the Board's legislative program for the staff of the Board Office to elect participation in TIAA/CREF retirement program.

Highlights of the reports are as follows:

- o Costs of insurance and retirement programs at the three universities ranged from 22.54 percent to 23.63 percent of nonstudent payroll for fiscal year 1989. Costs of insurance and retirement programs were 20.03 percent of payroll for fiscal year 1989 at the Iowa School for the Deaf and 21.87 percent at the Iowa Braille and Sight Saving School. Board Office costs for insurance and retirement programs for fiscal year 1989 were 13.42 percent of payroll.

- o Total cost of the insurance and retirement programs at Regent institutions for fiscal year 1989 was \$137.4 million. Costs for specific programs are as follows:

Social Security	\$40.7 million
Unemployment, Workers Compensation, Accidental Death Retirement Programs --	\$ 1.0 million
IPERS	\$ 1.2 million
TIAA/CREF	\$55.9 million
Federal	\$ 1.4 million
TIAA/CREF waiver of premium	\$ 1.0 million
Life Insurance	\$ 3.7 million
Health Insurance	\$29.2 million
Long-Term Disability Insurance	\$ 4.4 million
Dental Insurance	\$ 2.1 million

(Actual expenditures were reduced by \$3.1 million due to interest on reserves paid by the carriers.)

- o All permanent employees (faculty, professional-scientific, and Regent Merit System staff) of the three universities with a budgeted annual salary of at least \$7,800 are eligible to participate in the Teachers Insurance and Annuity Association--College Retirement Equities Fund (TIAA-CREF) or in a plan substituted in accordance with Board policy. Eligible employees may choose between TIAA-CREF or a substitute plan or IPERS. The contribution to TIAA-CREF is 10 percent of the first \$4,800 of salary for staff members with less than five years of service and 15 percent on all additional salary. The contribution for employees with more than five years of service is 15 percent of all salary. The employer pays two-thirds of the contribution. The employee pays one-third. A number of comparable institutions provide TIAA-CREF coverage only to faculty or in some instances to faculty and professional employees. Some comparable universities only provide state retirement systems. For example, three Big Ten universities allow participation only in the state retirement systems.
- o Employees of the special schools and the Board Office do not have the option to participate in a retirement program other than the Iowa Public Employees Retirement System (IPERS). The covered salary is \$26,000, and the contribution rate is 9.45 percent of which 5.75 percent is paid by the employer and 3.7 percent is paid by the employee. It is recommended that the authorization for Board Office employees to elect participation in TIAA/CREF be included in the Board's legislative program for the coming year. TIAA/CREF's charter and rules do not allow participation in the program by employees in K-12 public sector schools; therefore, it is not possible to include the special schools in this recommendation.
- o University-based health and dental insurance programs cover only faculty, professional-scientific employees and supervisory employees in

the Regents Merit System. The universities each offer different programs, but the benefits received are comparable. The University of Iowa and the University of Northern Iowa carrier is Blue Cross/Blue Shield of Iowa. The insurance coverage at Iowa State University is provided by the Principal Financial Group. Employees of the special schools, the Board Office and the Regent Merit System employees at the universities who are under collective bargaining contracts are covered by the State of Iowa health and dental insurance programs. Blue Cross/Blue Shield is the carrier for the state program.

- o The universities experienced a 18 percent to 20 percent increase in health care premiums beginning August 1, 1989. Health insurance costs for the Blue Cross/Blue Shield programs covering AFSCME employees increased 18.5 percent August 1, 1989. It is anticipated the rates will increase an additional 35 percent August 1, 1990.

Director Volm stated the programs are generally comparable between the universities and are reasonably competitive with programs at other universities throughout the country.

Regent Tyler asked if the Board Office were allowed to participate in TIAA/CREF would then all the institutions be equal.

Mr. Richey stated the special schools would continue under IPERS because public K-12 schools are not eligible to participate in TIAA/CREF under TIAA/CREF rules.

The Board staff may participate in the retirement program through TIAA/CREF rules but are currently precluded participation by Iowa statute.

ANNUAL PURCHASING REPORT FOR FISCAL YEAR 1989. The Board Office recommended the Board receive the annual governance report on purchasing.

Director Eisenhower stated Regent purchasing volume for fiscal year was \$419.1 million. The special schools continued their purchasing arrangements through Iowa State University for items greater than \$500. Regent institutions purchased \$147 million from Iowa-based businesses and of that amount \$46 million was purchased from Iowa Small Businesses and \$8.8 million from Iowa Targeted Small Businesses. A comprehensive review of Regent purchasing policies and procedures will be undertaken right away. Included in this study will be the evaluation of checks and balances concerning purchasing procedures and practices, the volume and nature of sole source purchasing, the use of open-end contracts, recycling efforts and identification of other opportunities to achieve cost savings. The purchasing directors were beginning to undertake this study of Chapter 8 of the Procedural Guide and their efforts will dovetail with the Board Office study of purchasing procedures.

Regent Tyler stated \$147 million purchased from Iowa businesses does not seem like much of the total purchases and is less than 50 percent.

Mr. Richey stated that is one area which will be studied. It is one area that the institutions have been making a special effort on in the last few years,

and it has really been focused on through the Targeted Small Business Program.

President Pomerantz stated the point was well taken. He stated the purchasing study was timely. It is very important from the perspective of Regent Tyler's concerns as well as just to have ongoing vigilance around the way the institutions do their purchasing.

ALLOCATIONS OF APPROPRIATIONS TO TRI-STATE CENTER. President Pomerantz stated this item would be deferred until December.

Regent Berenstein stated he had been included in all of the meetings in Sioux City. He stated he was in favor of the concept with two caveats -- (1) if the Iowa Board of Regents is to be involved, it is mandatory and obligatory that there be input from the Board Office and (2) if the Iowa Board of Regents is going to be involved the Iowa institutions should participate and the center should not just be something on the west side of the state for the benefit of Nebraska and South Dakota institutions.

President Pomerantz stated he felt those views could be clarified and strengthened.

Regent Tyler stated the Board should be aware there is an ongoing study headed by Provost Glick looking at this whole issue and there will be a report to the Board next month.

DWIGHT D. EISENHOWER MATHEMATICS AND SCIENCE EDUCATION FISCAL YEAR 1989 GRANT AWARDS. The Board Office recommended approval of the grants for fiscal year 1989, subject to negotiation with the Board Office to ensure compliance with federal regulations.

Director Barak stated the Board Office administers the Dwight D. Eisenhower Grants Mathematics and Science Education for the state of Iowa for the higher education institutions. The program was formerly known as Title II of the Education for Economic Security Act. The projects being recommended were selected with the assistance of an advisory committee composed of representatives of the public two-year and four-year institutions, private institutions, and elementary and secondary schools. Six proposals are being recommended for approval, one at Iowa State University, two at the University of Iowa, two at the University of Northern Iowa, and one at Drake University. He noted there were problems with the projects not totally meeting federal requirements and those areas need to be addressed.

MOTION:

Regent Williams moved that the Board approve the recommended action. Regent Furgerson seconded the motion.

Regent Furgerson stated in the pre-service programs she wished that teaching training colleges would look at what elementary teachers are taking. It seems that very often they miss taking math and science course and therefore feel very uncomfortable dealing with those areas in working with children in

- schools. She indicated the teacher education requirements should be reviewed and assure these math and science are covered.

Mr. Richey stated a letter would be sent to the academic vice presidents of each of the universities to that effect.

VOTE ON MOTION: Motion carried unanimously.

REVISION OF THE PROCEDURAL GUIDE. The Board Office recommended revision of Section 6.08 of the Board of Regents Procedural Guide.

Director Barak stated Section 6.08 contained the Board's policies for long-range academic plans which is now obsolete due to the Board's adoption in September of a new Board policy and related procedures on strategic planning. The proposed revision would delete the old policy with three exceptions: (1) a change for the two special schools annual reports that would fold the reports into the strategic planning process for the two institutions; (2) the retention of the section on accreditation, and (3) the retention of the policy on the review of existing programs.

MOTION: Regent Williams moved that the Board approve the revisions of the Procedural Guide as outlined above. Regent Berenstein seconded the motion, and it passed unanimously.

RESIDENCY APPEAL. The Board Office recommended the Board uphold the non-resident classification as determined by the University of Iowa for Joan Axline.

Director Barak stated the student had not overcome the presumption that her primary purpose in coming to the state of Iowa was to be a student at the University of Iowa. He stated this proposal was reviewed by the Regents Registrars and Admissions Officers Committee which recommended affirmation of the nonresident status.

MOTION: Regent Berenstein moved the uphold the nonresident classification of Joan Axline as determined by the University of Iowa. Regent Tyler seconded the motion, and it passed unanimously.

MONTHLY REPORT ON THE BOARD OFFICE BUDGET. Mr. Richey stated the cash outlays for the first four months of fiscal year 1990 represented slightly less than 35 percent of the total budget currently funded for the entire fiscal year. If outstanding obligations were added, total expenditures would approximate 36 percent of the total budget with only one-third of the fiscal year completed.

The supplemental request of \$63,324 still appears to be a reasonable number because few funds can be anticipated as savings when positions are vacant. Required expenditures for relocation of employees, for payouts for accumulated

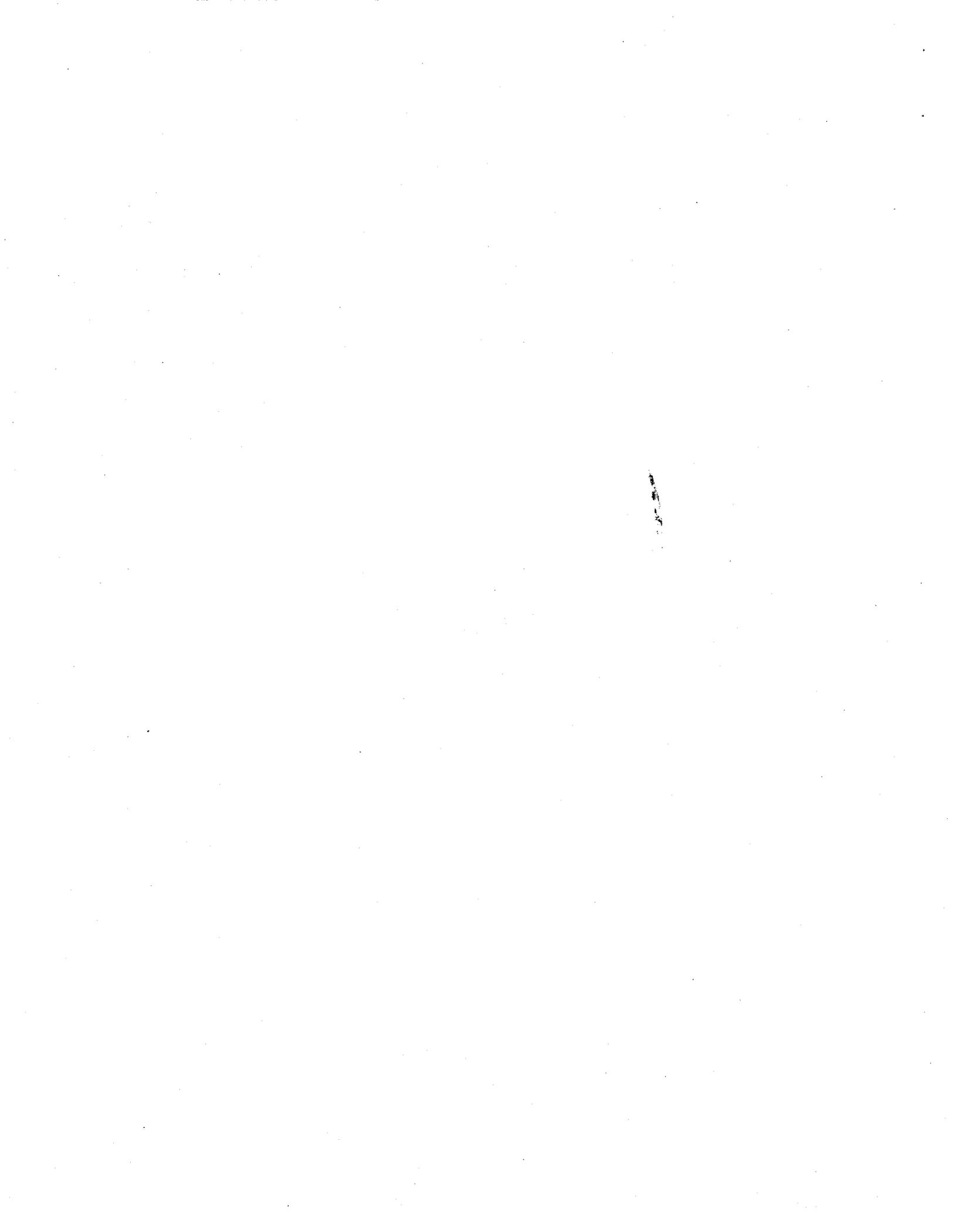
annual leave and for expenses associated with interviews of prospects tend to exceed savings in salary.

BOARD OFFICE PERSONNEL REGISTER. The register contained the resignation of Douglas Jensen, Associate Director, Business and Finance, effective December 21, 1989. Mr. Jensen will assume the position of Assistant to the Vice President for Administration and Finance at the University of Northern Iowa.

NEXT MEETINGS.

December 13-14	University Park Holiday Inn	Des Moines
January 17-18, 1990	Iowa State University	Ames
February 21-22	University Park Holiday Inn	Des Moines
March 21-22	University of Iowa	Iowa City
April 18-19	University of Northern Iowa	Cedar Falls
May 16-17	Park Inn International	Mason City
June 27-28	New Historical Building	Des Moines
July 18-19	Village West	Okoboji
September 18-19	University of Northern Iowa	Cedar Falls
October 17-18	Iowa State University	Ames
November 14-15	Iowa School for the Deaf	Council Bluffs
December 19-20	University of Iowa	Iowa City

President Pomerantz then asked Board members and institutional executives if there were additional general or miscellaneous items for discussion. There were none.



STATE UNIVERSITY OF IOWA

The following business pertaining to the State University of Iowa was transacted on Wednesday, November 15, 1989.

PERSONNEL TRANSACTIONS. The Board Office recommended the Board ratify the Register of Personnel Changes for the month of September 1989.

MOTION:

Regent Furgerson moved to ratify the register as presented. Regent Williams seconded the motion, and it carried unanimously.

UNIVERSITY OF IOWA HOSPITALS AND CLINICS. The Board Office recommended the Board receive the report from the University of Iowa Hospitals and Clinics and schedule final approval of the amendments to Article VI of the University of Iowa Hospitals and Clinics Bylaws and the adoption of strategic planning goals for the December Board meeting.

President Pomerantz recognized President Rawlings who welcomed the Board to Iowa City and the University of Iowa Hospitals and Clinics.

President Rawlings stated the health care industry is probably the most complex single sector of the nation's economy and is highly volatile. He related problems faced by other universities with teaching hospitals and noted particularly the state of Colorado where the university recently divested itself from the hospital. He stated the state of Iowa is in a very strong position with the University of Iowa Hospitals and Clinics due to strong leadership and a different environment.

President Rawlings noted that the hospitals and clinics were an integral part of the university's strategic plan and a crucial area for development. He said there were very strong health science colleges in the areas of medicine, dentistry, pharmacy and nursing. He said he would like to see the health science area be at the very top in the nation.

President Rawlings introduced John Colloton, Director of the University of Iowa Hospitals and Clinics and Assistant to the President for Statewide Health Services.

Mr. Colloton welcomed the Board to the hospitals for the quarterly Board of Trustees meeting.

Mr. Colloton stated it was appropriate to begin the review of the 1988-89 year

with the patient flow. He noted patients served increased from 367,265 in 1982 to 459,177 in 1989. This is a growth rate of 2 percent in admissions and 5.6 percent clinic patient growth. He stated in looking at the first four months of this fiscal year, July to October, the inpatient census was 3.2 percent over last year and clinic census is up 5 percent. He said they were very pleased with the increases because most teaching hospitals in the country were experiencing downturns in patient census due to cost constraints, control on referrals, and heavy competition for patients. He stated the hospitals had 1,213 doctors covering 125 specialties. He said the figure showed a modest increase in the last year and should be viewed in the context that Iowa has 3,600 practicing physicians. He explained the total staff size is 7,260 which is approximately the same level as last year. The staffing places the UIHC at about the median level of the nation's university-owned teaching hospitals when measuring staff per occupied bed ratio.

Mr. Colloton noted the UIHC was not experiencing a nursing shortage as was evident throughout the country. He stated that many of the teaching hospitals in the country were experiencing vacancy rates of up to 20 percent. Currently the UIHC has a vacancy rate of 4.6 percent. He said the Board's support with adequate salary increases over the past few years has been extremely helpful in recruitment and retention of professional staff.

Mr. Colloton stated the UIHC had not increased rates in three of the past five years. He noted the cumulative rate increase over the past ten years is 51.8 percent as compared to 89.5 percent nationally. The UIHC has been able to sustain the lowest admission cost among comparable teaching hospitals.

Mr. Colloton stated the 1988-89 year saw completion of a number of major capital projects -- the hyperbaric medicine service, the patients and visitors activity center, a second kidney lithotripter, the atrium dining and conference center. He noted the construction of the replacement facilities for the adult and child psychiatric patient care services on levels one and two of the Pappajohn Pavilion are on schedule with completion in the spring of 1991. A new 30-unit inpatient operating suite is nearing completion. He stated the state Health Facilities Council unanimously approved the UIHC certificate of need application for the John and Mary Pappajohn Clinical Cancer Center and the top out of the Pappajohn Pavilion. With the generous financial support of the Pappajohns, the shell phase of this project is currently out for bids.

Mr. Colloton noted that the phases one through nine of the capital replacement plan which began in the 1970's are completed or nearing completion at a cost of approximately \$321 million. He explained the projects have been completed utilizing about \$13 million in gifts and federal grants and \$308 million in hospital earnings from paying patients. He stated the same financing mechanism will be used to complete Phase 10 of the plan, the Pappajohn Pavilion. He reviewed a summary of capital expenditures in midwest teaching hospitals and noted the UIHC was the only facility that did not utilize state

appropriations for capital projects.

Mr. Colloton explained 51 new clinical services were initiated in the past year. He stated the Board would have an opportunity to tour two or three of those new services later in the morning.

He then reviewed the results of the recent survey by the Joint Commission on Accreditation of Health Care Organizations. He said the final report was not yet available but from the comments at summation conferences the UIHC would receive a three-year accreditation. There will only 19 citations which is a remarkable achievement. The citations include 7 pertaining to medical staff bylaws, quality assurance review and specificity of clinical privileges. There were two relating to nursing services, one to pathology, one to rehabilitation, two to special care units and six relating to the special function laboratory. He noted there were no citations relating to ambulatory care programs, medical records, the physical plant, or the governance structure or administrative services. He stated this highly complimentary survey would not have been possible without the ongoing support of the Board of Regents. He noted Regent Williams' assistance in the discussion of governance with the administrative surveyor was greatly appreciated.

Mr. Colloton introduced Ken Yerington, Director of Financial Management, UIHC.

Mr. Yerington reviewed the report of receipts and disbursements of the UIHC which is prepared for the Legislative Fiscal Bureau in accordance with Chapter 263A.13, Code of Iowa. He noted the most significant element of the receipts is that paying patient revenue amounted to \$211 million out of the \$250.2 million total receipts. Ninety-four percent of the disbursements was for personnel related costs and general expenses and the remaining six percent associated with new technology and capital needs. The unexpended receipts at the end of the year totalled \$14.3 million with \$9.7 million for encumbrances such as unpaid contracts and purchase orders with remaining amount associated with capital projects. He stated revenue from federal Medicare programs was \$63 million and \$26 million from Iowa Medicaid programs which represent 30 percent and 13 percent of the total paying patient receipts.

Mr. Yerington explained 80 percent (\$161 million) of the expenditures in the operating funds were for professional services and medical and allied health education programs.

He further explained about 60 percent of the \$88 million balance in the plant fund was allocated to the operating room suites in the Colloton Pavilion and the Pappajohn Pavilion.

Mr. Yerington stated in the past the UIHC's margin of receipts over disbursements had been interpreted by some as profit. He stated the UIHC is a nonprofit institution and as such does not have a profit or operate for a profit. It is a social institution operating for a social purpose with a

social conscience but it is a self-sustaining economic entity. The margin maintains UIHC's ability to maintain facilities and meet extraordinary repairs and renovations and provide for latest developments in new medical technology and treatments at the frontiers of medicine. He said the operating margin is consistent with the American Hospital Association's principles outlined in its statement on financial requirements for health care institutions.

President Pomerantz asked if it was predicted that patient utilization would continue to increase.

Mr. Colloton stated it was very difficult to predict. He said the university was training highly specialized physicians and dentists who would be rendering care in locations removed from the UIHC; but also there was about \$10 billion a year nationwide going into medical research. A lot of the new medical frontiers will be at institutions like the UIHC. It is important to assure that there will be adequate patients to meet the academic missions of the some thirty-five educational programs involving 2,000 students.

Regent Fitzgibbon asked what percentage of the patients were Iowans. Mr. Colloton stated about 90 percent were from Iowa. The other ten percent were from probably 40 different states. A large number of the out-of-state patients are being referred from physicians in western Illinois.

Regent Fitzgibbon stated it was interesting that a large number of the Iowa patients came from outside of the Johnson County area.

Mr. Colloton stated in the not too distant past the UIHC was looked upon as an indigent care institution. The UIHC is now attracting patients from all economic strata, and community physicians are using the UIHC for referrals rather looking to similar facilities in other states.

Regent Hatch asked if cost containment measures such as HMOs and PPOs had much of an impact on the UIHC.

Mr. Colloton stated the answer was both yes and no. It was yes because such programs have as their goals to pay for patient care only not for the educational component of a teaching hospital. Educationally-related costs have traditionally been imbedded in patient charges. He added that was the reason the Governor appointed the Blue Ribbon Commission in 1986 to figure out how to get that component out of the UIHC charges. When HMOs look at the UIHC and 20 percent of its charges are for educational purposes, the HMOs look elsewhere for patient care. He noted that only about 300,000 people in Iowa are covered by HMOs so it has not been a real problem for the UIHC.

Regent Hatch asked if every department in the hospital was treated at least internally as a separate cost center.

Mr. Colloton stated they had information that would permit a determination of

operating costs versus revenue for each department. He said such information was essential so that management knew the effective parts of the institution and also knew those areas needing help. He said the figures were not used in any way to coerce departments or cause them to focus on the bottomline to the detriment of the educational mission.

Mr. Colloton moved into the next agenda item--strategic planning. He explained the planning effort was structured in a way to support the tripartite missions of the hospital--patient care, health science education and research support.

The UIHC initiated a formal planning process in 1969, as the first step in undertaking a major capital replacement program in response to a charge from the Iowa State Department of Health to replace outmoded patient care, educational, and support facilities which no longer met contemporary life safety and building code requirements. The second phase commenced in the mid-1980's and is focused on the initiative required at the UIHC to sustain its traditional service and educational missions in rapidly and turbulently changing environment.

President Pomerantz noted one of the "Aspirations" of the UIHC was to maintain its premier status as one of the 64 best hospital in America. He stated he felt like that was a very large number to be a part of.

Mr. Colloton stated it was correct and actually a compliment to be included in this group.

Mr. Colloton introduced Dr. John Tinker, Co-Chair of the UIHC Strategic Planning Committee.

Dr. Tinker stated the strategic planning process involves eight goals with related strategies. He highlighted the first three goals.

GOAL 1: Maintain UIHC's role as Iowa's comprehensive tertiary referral center.

This goal is an incredibly important one and has a number of different and important objectives including the recruitment and retention of high quality clinical and professional staff. It also involves enhancing the diversity of the staff with specific emphasis on increasing numbers of women and minorities in health care managerial and professional positions. It also involves continuing to support the development of cutting edge diagnostic treatment modalities and new technologies.

GOAL 2: Pursue the establishment of an alternative stream of financing for UIHC's graduate medical education programs and other educationally related costs.

Dr. Tinker stated the Governor's Blue Ribbon Commission on future financing of educationally-related costs recommended that the appropriation funding for UIHC's indigent care program be restructured so that this support could in the future be used also to finance educationally-related costs if and when other statewide programs begin to meet the needs of patients that are currently being served through the indigent care program. He noted adoption of this recommendation remains a very important objective to the UIHC because the Medicare program and other third party payors continue to chip away at reimbursement for educational costs. He noted that the Medicare program has what is called an indirect medical education cost adjustment which has helped teaching hospitals keep abreast financially. It was originally set at 11.5 percent of the hospital's resident to bed ratio and is now 7.7 percent with further reductions expected.

GOAL 3: Sustain the governance responsibilities of the Iowa Board of Regents as the ultimate governing body of the UIHC.

Dr. Tinker stated the importance of the UIHC to the educational mission of the university could not be overstated. He stated the Board's governance function provides effective oversight and should not be tampered with.

Dr. Tinker then discussed some of the outcomes from the strategic planning process. He said the 35 separate health science education programs based at the UIHC provide annual training for some 2,300 students. There is a plan in place to provide the separate stream of financing for educational programs. The governance by the Board of Regents has provided strong support and direction for UIHC programs to cope with the turbulent health care environment.

He stated through the strategic planning process they have been able to maintain a strong patient base which is essential for health science education programs. The only possible exception to this would be in obstetrics. He said through strategic planning working groups the groundwork has been done for the establishment of a university-operated HMO and the establishment of an ambulatory care subcommittee to continue enhancing and refining clinic operations. He noted the UIHC had effective working relationships with many HMOs and other alternative care delivery systems. Overall the UIHC is a cost effective operation with sound and stable financial structure.

Mr. Colloton stated in developing the strategic planning processes and related strategies the subcommittee has worked closely with the overall university committee as well as the Board Office.

Mr. Richey stated it was obvious the UIHC goals and strategies reflect many of the Board's goals and strategies.

President Pomerantz stated the process to date has worked well, and the hospital's facilities and programs speak very well to that. He said he felt

the Board's role was to encourage and support the same kind of planning in the future and not to impede the process.

Mr. Colloton stated that was what they were doing and appreciated the Board's support.

Regent Berenstein stated he was very interested to see the outcome of the planning process after having been a part of the Blue Ribbon Commission three years ago.

Mr. Colloton introduced William Hesson, Senior Assistant Director of the UIHC, who presented the annual governance report.

Mr. Hesson stated it was the purpose of the governance report to apprise the Board of the activities of the University Hospital Advisory Committee in discharging those activities delegated to it by the Board of Regents. The Advisory Committee has delegated to it by the Board activities involving delineation of clinical privileges, development of internal policies and procedures and review of the quality assurance program. In the area of quality assurance, Mr. Hesson stated that the UIHC assumed a national leadership role to develop methods to study the appropriateness and effectiveness of health care services. A consortium of academic centers working with the Rand Corporation and the American Medical Association will study various medical procedures and develop criteria to measure the appropriateness of their use. Based on these studies the academic medical centers will plan and implement interventions designed to enhance the delivery of care.

Mr. Hesson reviewed two changes in the bylaws. One change would specify that the criteria for reviewing applications for initial privileges to include the applicant's health status. The bylaws currently require an evaluation of the physical and mental condition of all members of the clinical staff during the annual review of clinical privileges. This amendment would require such review upon initial application which is becoming a requirement of the Joint Commission on Accreditation of Health Care Organizations. The second amendment is to the clinical care rules and regulations. Under the bylaws this article can be amended by action of the University Hospital Advisory Board and reported to the Board. The amendment permits the Pharmacy and Therapeutics Subcommittee to develop dose standardization protocols.

President Pomerantz stated the bylaws change requiring Board action would be acted upon at the December meeting.

Mr. Colloton introduced Dr. Peter Kirchner and Dr. Richard Hichwa who gave a presentation on the positron emission tomography scanning program.

Following the presentations the Board members toured the hyperbaric oxygen chamber, the interventional angiography suite and the patient/visitor

activities center.

UNIVERSITY OF IOWA UTILITY SYSTEM REVENUE BOND SALE. The Board Office recommended subject to the receipt of an acceptable bid, the Board adopt a resolution authorizing the sale of up to \$10 million in Utility System Revenue Bonds for the University of Iowa and the execution and delivery of a second supplemental Indenture.

In October the Board approved a preliminary resolution authorizing the Executive Director to proceed with activities in anticipation of the November sale of up to \$10 million in Utility System Revenue Bonds for the University of Iowa subject to validation of savings by The Durrant Group. The bond sale would finance approximately \$8.5 million in utility projects at the university.

The energy conservation project construction costs and savings were developed by the university and have been verified by The Durrant Group. The university requested authority to proceed with the proposed financing because the project efficiency had been confirmed to the degree possible prior to detailed design completion. Additionally, there was a substantial safety factor in that the Durrant evaluation was based upon \$6.5 million in west campus projects whereas the university intends to finance at this time only \$4 million in projects. The best projects will be chosen and provide for a safety factor of 62 percent. Even beyond that safety factor, the ten-year financing would support project paybacks somewhat less than those estimated while retaining better than 120 percent coverage for the incremental project.

The notice of intention to issue bonds was published in the Des Moines Register on November 3, 1989, and no petition to protest was filed.

President Pomerantz recognized Luther Anderson of Springsted, Inc., the Board's financial advisor.

Mr. Anderson stated the Board advertised for bids for the sale of \$9.66 million in Utility System Revenue Bonds. Those bids were received at 11:30 a.m. this morning. There were two bids as is usually the case with Regents bonds. The first bid was submitted by the syndicate led by Dain Bosworth, Inc. at an amount of \$9,516,177.75. The bonds were in maturities from 1991 to 1999 with interest rates of 5.40 for first two years, 5.45 for the next two and 5.50 for the remaining years. The net interest cost of \$3,492,551 which translates to a net effective rate of 5.72 percent.

The second bid was received from a syndicate led by John Nuveen and Company in an amount of \$9,516,000. The interest rate of 5.375 percent was the same on all maturities. The net interest cost was \$3,424,900 and a net effective rate of 5.6109 percent.

Mr. Anderson stated the he had talked a number of times about the kind of

reception the Regents bonds receive. It varies from time to time when compared to bonds of an equal credit rating and equal maturity from extremely attractive to downright incredible. To put the current bids in a little perspective, Arizona State University yesterday sold an issue of revenue bonds also rated A-1 at interest rate of 6.10 to 6.85 percent.

Mr. Anderson recommended the Board of Regents accept the bid from John Nuveen and Company.

MOTION:

Regent Fitzgibbon moved that Board adopt a resolution authorizing the sale of up to \$10 million in Utility System Revenue Bonds at the University of Iowa and the execution and delivery of a second supplementary indenture and accepting the bid of 5.6109 percent from John Nuveen and Company. Regent Berenstein seconded the motion, and upon the roll being called, the following voted:
AYE: Berenstein, Fitzgibbon, Furgerson, Greig, Hatch, Pomerantz, Tyler, Westenfield, Williams.
NAYS: None.
ABSENT: None.

Regent Fitzgibbon stated the bids received tells the Board a little about how the people in Iowa respect the Regent institutions.

PROPOSED CHANGE IN THE BACHELOR OF GENERAL STUDIES TO THE BACHELOR OF ARTS IN INTERDEPARTMENTAL STUDIES. The Board Office recommended referral to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

ACTION:

President Pomerantz stated the proposal would be referred as recommended.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. The Board Office recommended approval of the university's capital register.

Director Eisenhauer states the capital register was in order. She noted there was one new piece of information that is being presented which is related to a quarterly expenditure and capital report. She stated she would like to acknowledge the efforts of the institutions to compile this information for the Board and it includes a list of anticipated capital projects that they hope they will be able to initiate during the next quarter. She indicated

approval of the register would also approve the upcoming capital projects for next quarter.

The university requested approval of a project description and budget for the West Campus Chilled Water Plant--Modification for the Isolation of Chilled Water Storage project in the amount of \$633,000. The university also requested approval of ZBA, Inc., as the project engineer. The professional services agreement would be in the amount of \$18,078.

The university also requested approval of a project description and budget for the Hillcrest Dormitory--Replace Hot and Cold Water Lines project in the amount of \$611,300.

The university requested approval of the university's Architectural Selection Committee's recommendation of OPN Architects, Inc., Cedar Rapids, Iowa, as project architect for the Maclean Hall Remodeling project. The university also requested the Board to authorize the Executive Director to approve a design agreement when it is prepared.

The report of capital projects over \$50,000 anticipated to be undertaken by the university was provided to the Board in the Capital Project Quarterly Report. The university requested approval of anticipated projects with budgets between \$50,000 and \$250,000.

MOTION:

Regent Furgerson moved that the Board approve the capital register for the period of September 28 through October 25, 1989. Regent Williams seconded the motion, and it was passed unanimously.

LEASES. The Board Office recommended approval of a lease with BREAKTHROUGH, INC., for its use of approximately 550 square feet of office space (Rooms 131, 129) in the Technology Innovation Center of the Oakdale Campus for a period of one year commencing December 1, 1989, at a monthly rental of \$275.

MOTION:

Regent Williams moved to approve the lease with BREAKTHROUGH, INC. as presented. Regent Furgerson seconded the motion, and upon the roll being called the following voted:

AYE: Berenstein, Fitzgibbon, Furgerson, Greig, Pomerantz, Tyler, Westenfield, Williams.

NAY: None.

ABSTAIN: Hatch.

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Regent Tyler stated it occurred to him that he did not have any idea of the numbers, kinds, and dollar values of the leases entered into by the institutions. He stated it would be interesting to have an annual report of leased space.

President Pomerantz asked that the Board Office work with the institutions to formulate such a report which would include a summary of each lease.

Regent Berenstein asked if the report would include both lessor and lessee leases.

President Pomerantz stated yes it would.

President Pomerantz then asked Board members and institutional executives if there were additional items for discussion pertaining to the University of Iowa.

President Rawlings stated that on December 14 the National Institutes of Health will be holding a very important conference on the campus. He stated the university had been chosen as one of only four universities nationwide at which the NIH will be holding such a symposium. This is on the subject of biomedical research and in particular the significance of biomedical research to the nation's interests. This is a real honor for the university. It will begin at noon on the 14th. President Rawlings invited the Board to attend the conference. Senator Harkin will give the keynote address, and Governor Branstad will make remarks.

IOWA STATE UNIVERSITY

The following business pertaining to Iowa State University was transacted on Wednesday, November 15, 1989.

PERSONNEL TRANSACTIONS. The Board Office recommended ratification of the Register of Personnel Changes for the month of October 1989 which include two early retirements: GREGOR A. JUNK, Associate Scientist, Ames Laboratory, and JEROME L. NELSON, Associate Professor, Journalism and Mass Communication.

MOTION: Regent Furgerson moved to ratify the register as presented. Regent Williams seconded the motion, and it carried unanimously.

REQUEST TO CHANGE NAME OF DEPARTMENT. The Board Office recommended the request to change the name of the Department of Industrial Engineering to the Department of Industrial and Manufacturing Systems Engineering be referred to the Interinstitutional Committee on Educational Coordination and the Board Office for review and recommendation.

ACTION: President Pomerantz stated the proposal would be referred as recommended.

PROFESSIONAL AND SCIENTIFIC CLASSIFICATION PLAN AND APPOINTMENT. The Board Office recommended approval of two new professional and scientific classifications -- Associate Manager III in pay grade 5 (\$29,358 - \$46,422) and Assistant to the President III in pay grade 8 (\$49,020 - open) and the appointment of Reid Crawford as Assistant to the President III at a salary of \$73,700.

The university noted that the associate manager classification was needed to appropriately reflect increased management responsibilities in larger and more complex operations. The assistant to the president classification is proposed to provide senior level consultative and administrative assistance to the president.

MOTION: Regent Furgerson moved to approve the recommended actions as outlined above. Regent Williams seconded the motion, and it was carried unanimously.

DISCONTINUANCE OF A CENTER. The Board Office recommended the proposal to discontinue the Center for Transportation and Public Works be referred to the Interinstitutional Committee for Educational Coordination and the Board Office for review and recommendation.

ACTION: President Pomerantz the proposal would be referred as recommended.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. The Board Office recommended approval of the register.

The university requested approval of a project description and budget for the Applied Sciences Center--Cleanrooms project in the amount of \$317,500. The project will be financed predominantly through the Institute for Physical Research and Technology. The university requested approval to proceed with the installation of the cleanrooms using university staff.

The university also requested approval of Brooks Borg and Skiles, Des Moines, Iowa, to provide design services for the Swine Nutrition and Management Research Center--Research Unit project. The professional services agreement would be in the amount of \$82,500. The project will be financed through capital appropriations.

A report of capital projects over \$50,000 anticipated to be undertaken by the university was provided to the Board in the Capital Project Quarterly Report. The university requested approval of anticipated projects with budgets between \$50,000 and \$250,000.

Regent Berenstein stated in the last thirty days he had become general counsel for the McHan Construction Company which does substantial construction at Iowa State University and he would like the record to note that he would not participate in approving projects where the firm is involved. He stated it did not appear the firm was involved in any of the projects on the register under consideration.

MOTION: Regent Greig moved to approve the Register of Capital Improvement Business Transactions for the period of October 19 through November 26, 1989. Regent Williams seconded the motion, and it carried unanimously.

LEASES. The Board Office recommended approval of the following leases:

With CYGNUS APPLIANCE CORPORATION for its use of approximately 165 square feet of space in the university's ISIS Center for a period of six months commencing November 1, 1989, at a monthly rental of \$116.88.

With the CEDAR RAPIDS SCHOOL DISTRICT for the university's use of approximately 4,284 square feet of office space located at 346 Second Avenue, Cedar Rapids, for approximately three years commencing January 1, 1990, at a monthly rental of \$2,856.

With BUSCHER BROS. IMPLEMENT for the university's use of approximately 620 square feet of office space located at 1001 North Main, Algona, for approximately three years commencing December 1, 1989, at a monthly rental of \$225.

MOTION:

Regent Williams moved that the Board approve the leases noted above. Regent Furgerson seconded the motion, and upon the roll being called the following voted:
AYE: Berenstein, Fitzgibbon, Furgerson, Greig, Pomerantz, Tyler, Westenfield, Williams.
NAY: None.
ABSTAIN: Hatch.

ANNUAL REPORT, OPERATION OF IOWA STATE CENTER BY OGDEN ALLIED (JULY 1, 1989 - JUNE 30, 1989). The Board Office recommended the Board receive the annual report and encourage Iowa State University to continue its internal audit activities of Ogden Allied including the concession area in fiscal year 1990 and beyond.

In February 1988 Iowa State University entered into an agreement with Ogden Allied Facility Management for the operation of the Iowa State Center. Ogden Allied was charged with increasing programming at the center, defining and creating new revenue sources, and reducing the historical subsidies that were required by the university for the operation of the center.

The evaluation of Ogden Allied's performance under the management contract is based upon comparisons to the established benchmark year of fiscal year 1987-88. The primary comparison factor is the amount of university subsidy required for the operation of the center. The university's support for the center is made through two annual allocations -- utility expenses and direct operating expenses.

The consolidated statements of revenues and expenses indicated in the report reveal a net operational shortfall from the original budgeted plan of \$21,721. Under the terms of the management agreement, Ogden Allied reimburses the university 20 percent of the shortfall. When the contract provisions were taken into account, Ogden Allied reduced Iowa State's net operational subsidy to the center by \$2,623 from \$718,509 to \$715,886. Although not as much as originally projected, the university felt the performance was satisfactory.

The Ogden Allied concessions activity is being monitored by Iowa State University internal auditors.

Attendance at the center for the year was 894,063 which was an increase of 34,262 over the benchmark year.

The feasibility of box suites for Hilton Coliseum and necessary fire and life safety modifications continues to be explored. Pending the continued evaluation of this project within the university and receipt of information from the Regents bond and financial consultants, recommendations will be made regarding the status of the Hilton project at a later Board meeting.

Vice President Madden stated there had been a number of discussions with the Board staff and Regent Tyler regarding Ogden Allied. He stated he believed the university was making progress. He stated that Ogden Allied was devoting significant and appropriate attention to the Iowa State Center.

ACTION: President Pomerantz stated the report was received by general consent of the Board.

President Pomerantz then asked Board members and institutional executives if there were additional items for discussion pertaining to Iowa State University. There were none.

UNIVERSITY OF NORTHERN IOWA

The following business pertaining to the University of Northern Iowa was transacted on Wednesday, November 15, 1989.

PERSONNEL TRANSACTIONS. The Board Office recommended the board ratify the Register of Personnel Changes for the month of October 1989.

MOTION: Regent Furgerson moved to ratify the register as presented. Regent Williams seconded the motion, and it carried unanimously.

REGISTER OF CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS. The Board Office recommended approval of the register.

Director Eisenhower stated the university received a capital appropriation for a Library Addition this year, and the register included approval of the program statement, project description and budget and of the university's Architectural Selection Committee's recommendation of Herbert Lewis Kruse Blunck Architects of Des Moines, Iowa, to provide full architectural services.

The university also requested approval to proceed with projects of \$50,000 to \$250,000 appearing in the Capital Project Quarterly Report.

MOTION: Regent Furgerson moved the Board approve the register for the October 3 through October 30, 1989, as presented. Regent Hatch seconded the motion, and it carried unanimously.

President Pomerantz then asked Board members and institutional executives if there were additional items for discussion pertaining to the University of Northern Iowa. There were none.

IOWA SCHOOL FOR THE DEAF

The following business pertaining to the Iowa School for the Deaf was transacted on Wednesday, November 15, 1989.

PERSONNEL TRANSACTIONS. The Board Office recommended the Board ratify the Register of Personnel Transactions for the month of September 1989.

MOTION:

Regent Furgerson moved that the Board ratify the register as presented. Regent Williams seconded the motion, and it passed unanimously.

ANNUAL REPORT. The Board Office recommended the Board receive the annual report with the understanding that the annual report will be done as a part of the strategic planning in the future.

The report summarizes the institution's progress toward objectives for the 1988-89 academic year.

The major milestones include:

- (1) Enhancements to the educational program, the residential program, business operations, and support services;
- (2) Significant strides in the campus beautification priority issue;
- (3) Increased public information/public relations activities;
- (4) Greater interinstitutional cooperation among Regent institutions as well as other educational agencies;
- (5) The initiation of a comprehensive, ongoing strategic planning process.

Issues viewed as hindrances to continued program enhancement include:

- (1) The Task Force on Higher Education recommendation regarding governance.
- (2) The need to establish important staff positions such as public information/public relations (marketing) and accountant/personnel position.
- (3) The filling of three residential program administrative positions.
- (4) The backlog of deferred maintenance projects.
- (5) The asbestos abatement program and progress on it.
- (6) The upgrading of the physical plant facilities, particularly the residential program area.
- (7) The willingness of other educational agencies to have a two-way dialogue on educational programming for deaf youngsters.
- (8) The recruitment and retention of highly qualified administrators, faculty, and dormitory houseparents.
- (9) The forward progress on the recreation center.
- (10) The ability to obtain appropriate transportation vehicles.

ACTION:

President Pomerantz stated the annual report was received by general consent of the Board.

President Pomerantz then asked Board members and institutional executives if there were additional items for discussion pertaining to the Iowa School for the Deaf. There were none.

IOWA BRAILLE AND SIGHT SAVING SCHOOL

The following business relating to the Iowa Braille and Sight Saving School was transacted on Wednesday, November 15, 1989.

PERSONNEL TRANSACTIONS. The Board Office recommended the Board ratify the Register of Personnel Changes for the period October 1 to October 28, 1989.

MOTION: Regent Furgerson moved to ratify the register as presented. Regent Williams seconded the motion, and it carried unanimously.

President Pomerantz then asked Board members and institutional executives if there were additional items for discussion pertaining to the Iowa Braille and Sight Saving School. There were none.

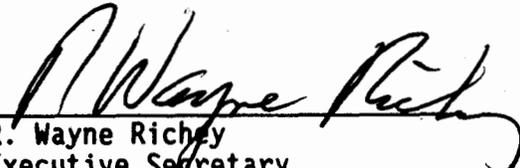
EXECUTIVE SESSION. President Pomerantz requested the Board enter into closed session pursuant to the Code of Iowa Section 22.7 (1 and 18).

MOTION: Regent Berenstein moved that the Board enter into closed session. Regent Williams seconded the motion, and upon the roll being called the following voted:
AYE: Berenstein, Fitzgibbon, Furgerson, Greig, Hatch, Pomerantz, Tyler, Westenfield, Williams.
NAY: None.

The Board having voted by at least two-thirds majority resolved to meet in closed session beginning at 4:55 p.m. on Wednesday, November 15, 1989, and arose therefrom at 5:20 p.m. on that same date.

IOWA BRAILLE AND SIGHT SAVING SCHOOL
November 15, 1989

ADJOURNMENT. The meeting of the State Board of Regents adjourned at 4:45 p.m.
on Wednesday, November 15, 1989.


R. Wayne Richey
Executive Secretary